

AMENDED IN ASSEMBLY MAY 31, 2006

AMENDED IN ASSEMBLY APRIL 17, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2291

Introduced by Assembly Member Evans

February 22, 2006

An act to ~~add Section 11713.25 to~~ amend Section 11713.3 of, and to add Section 11713.25 to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2291, as amended, Evans. Vehicles: dealer: data security.

(1) *Existing law prohibits any motor vehicle manufacturer, manufacturer branch, distributor, or distributor branch that is licensed under the Vehicle Code from engaging in certain conduct involving a dealer having a franchise for the sale of new vehicles or vehicle parts including prohibiting those manufacturers, branches, and distributors from competing with a dealer, as specified, or engaging in unfair discrimination in favor of any dealership owned or controlled by those entities.*

This bill would additionally prohibit a motor vehicle manufacturer, manufacturer branch, distributor, or distributor branch from accessing, modifying, or extracting information from a confidential dealer computer record, as specified, or using electronic, contractual, or using other means to prevent or interfere with the lawful efforts of a dealer to comply with specified data security and privacy laws, to ensure that the accessed data is within the scope of consent, or to monitor data accessed from the dealer's computer system.

Because a violation of these provisions would be a crime, the bill would impose a state-mandated local program.

Existing

(2) *Existing* law regulates the handling of customer records and requires that a business take all reasonable steps to destroy a customer's records in its custody or control when they are no longer to be retained. Existing law requires a person or business that owns or licenses computerized data that includes personal information, as defined, to disclose any breach of the security of its system, as specified.

This bill would prohibit a computer vendor, ~~franchisor, or other person~~ from accessing, ~~copying, creating, or~~ modifying, *or extracting information from* a confidential dealer computer record, as defined, or personally identifiable consumer data, as defined, from a dealer without 1st obtaining an express written consent from the dealer *and without maintaining specified safeguards to protect the information.* The bill would prohibit requiring a dealer, as a condition of doing or continuing to do business, to give express consent, except under specified circumstances.

Since a violation of the Vehicle Code is a crime, by proscribing certain activities related to a confidential dealer computer record or personally identifiable consumer data, this bill would create a new crime, thereby imposing a state-mandated local program.

(2)

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 11713.3 of the Vehicle Code is amended*
- 2 *to read:*
- 3 11713.3. It is unlawful and a violation of this code for any
- 4 manufacturer, manufacturer branch, distributor, or distributor
- 5 branch licensed under this code to do any of the following:

1 (a) To refuse or fail to deliver in reasonable quantities and
2 within a reasonable time after receipt of an order from a dealer
3 having a franchise for the retail sale of any new vehicle sold or
4 distributed by the manufacturer or distributor, any new vehicle or
5 parts or accessories to new vehicles as are covered by the
6 franchise, if the vehicle, parts, or accessories are publicly
7 advertised as being available for delivery or actually being
8 delivered. This subdivision is not violated, however, if the failure
9 is caused by acts or causes beyond the control of the
10 manufacturer, manufacturer branch, distributor, or distributor
11 branch.

12 (b) To prevent or require, or attempt to prevent or require, by
13 contract or otherwise, any change in the capital structure of a
14 dealership or the means by or through which the dealer finances
15 the operation of the dealership, ~~provided that if~~ the dealer at all
16 times meets any reasonable capital standards agreed to by the
17 dealer and the manufacturer or distributor, and ~~also provided that~~
18 ~~if no~~ a change in capital structure ~~shall cause~~ *does not cause* a
19 change in the principal management or have the effect of a sale
20 of the franchise without the consent of the manufacturer or
21 distributor.

22 (c) To prevent or require, or attempt to prevent or require, a
23 dealer to change the executive management of a dealership, other
24 than the principal dealership operator or operators, if the
25 franchise was granted the dealer in reliance upon the personal
26 qualifications of ~~such that person or persons.~~

27 (d) (1) Except as provided in subdivision (t), to prevent or
28 require, or attempt to prevent or require, by contract or otherwise,
29 any dealer, or any officer, partner, or stockholder of any
30 dealership, the sale or transfer of any part of the interest of any of
31 them to any other person ~~or persons~~. No dealer, officer, partner,
32 or stockholder shall, however, have the right to sell, transfer, or
33 assign the franchise, or any right thereunder, without the consent
34 of the manufacturer or distributor except that the consent shall
35 not be unreasonably withheld.

36 (2) (A) For the transferring franchisee to fail, prior to the sale,
37 transfer, or assignment of a franchisee or the sale, assignment, or
38 transfer of all, or substantially all, of the assets of the franchised
39 business or a controlling interest in the franchised business to
40 another person, to notify the manufacturer or distributor of the

1 franchisee's decision to sell, transfer, or assign the franchise. The
2 notice shall be in writing and shall include all of the following:

3 (i) The proposed transferee's name and address.

4 (ii) A copy of all of the agreements relating to the sale,
5 assignment, or transfer of the franchised business or its assets.

6 (iii) The proposed transferee's application for approval to
7 become the successor franchisee. The application shall include
8 forms and related information generally utilized by the
9 manufacturer or distributor in reviewing prospective franchisees,
10 if those forms are readily made available to existing franchisees.
11 As soon as practicable after receipt of the proposed transferee's
12 application, the manufacturer or distributor shall notify the
13 franchisee and the proposed transferee of any information needed
14 to make the application complete.

15 (B) For the manufacturer or distributor, to fail, on or before 60
16 days after the receipt of all of the information required pursuant
17 to subparagraph (A), or as extended by a written agreement
18 between the manufacturer or distributor and the franchisee, to
19 notify the franchisee of the approval or the disapproval of the
20 sale, transfer, or assignment of the franchise. The notice shall be
21 in writing and shall be personally served or sent by certified mail,
22 return receipt requested, or by guaranteed overnight delivery
23 service that provides verification of delivery and shall be directed
24 to the franchisee. Any proposed sale, assignment, or transfer
25 shall be deemed approved, unless disapproved by the franchisor
26 in the manner provided by this subdivision. If the proposed sale,
27 assignment, or transfer is disapproved, the franchisor shall
28 include in the notice of disapproval a statement setting forth the
29 reasons for the disapproval.

30 (3) In any action in which the manufacturer's or distributor's
31 withholding of consent under this subdivision or subdivision (e)
32 is an issue, whether the withholding of consent was unreasonable
33 is a question of fact requiring consideration of all the existing
34 circumstances.

35 (e) To prevent, or attempt to prevent, a dealer from receiving
36 fair and reasonable compensation for the value of the franchised
37 business. There shall be no transfer or assignment of the dealer's
38 franchise without the consent of the manufacturer or distributor,
39 which consent shall not be unreasonably withheld or conditioned

1 upon the release, assignment, novation, waiver, estoppel, or
2 modification of any claim or defense by the dealer.

3 (f) To obtain money, goods, service, or any other benefit from
4 any other person with whom the dealer does business, on account
5 of, or in relation to, the transaction between the dealer and that
6 other person, other than for compensation for services rendered,
7 unless the benefit is promptly accounted for, and transmitted to,
8 the dealer.

9 (g) To require a dealer to prospectively assent to a release,
10 assignment, novation, waiver, or estoppel—~~which~~ *that* would
11 relieve any person from liability to be imposed by this article or
12 to require any controversy between a dealer and a manufacturer,
13 distributor, or representative, to be referred to any person other
14 than the board, if the referral would be binding on the dealer.
15 This subdivision does not, however, prohibit arbitration before an
16 independent arbitrator.

17 (h) To increase prices of motor vehicles—~~which~~ *that* the dealer
18 had ordered for private retail consumers prior to the dealer's
19 receipt of the written official price increase notification. A sales
20 contract signed by a private retail consumer is evidence of each
21 such order. In the event of manufacturer price reductions, the
22 amount of the reduction received by a dealer shall be passed on
23 to the private retail consumer by the dealer if the retail price was
24 negotiated on the basis of the previous higher price to the dealer.
25 Price reductions apply to all vehicles in the dealer's inventory
26 ~~which~~ *that* were subject to the price reduction. Price differences
27 applicable to new model or series motor vehicles at the time of
28 the introduction of new models or series shall not be considered
29 a price increase or price decrease. ~~Price~~ *This subdivision does not*
30 *apply to price* changes caused by either ~~(1) the addition of the~~
31 *following:*

32 (1) *The addition* to a motor vehicle of required or optional
33 equipment pursuant to state or federal law; ~~or (2) revaluation.~~

34 (2) *Revaluation* of the United States dollar in the case of a
35 foreign-make vehicles, ~~are not subject to this subdivision~~ *vehicle.*

36 (i) To fail to pay to a dealer, within a reasonable time
37 following receipt of a valid claim by a dealer thereof, any
38 payment agreed to be made by the manufacturer or distributor to
39 the dealer by reason of the fact that a new vehicle of a prior year

1 model is in the dealer's inventory at the time of introduction of
2 new model vehicles.

3 (j) To deny the widow or heirs designated by a deceased
4 owner of a dealership, the opportunity to participate in the
5 ownership of the dealership or successor dealership under a valid
6 franchise for a reasonable time after the death of the owner.

7 (k) To offer any refunds or other types of inducements to any
8 person for the purchase of new motor vehicles of a certain
9 line-make to be sold to the state or any political subdivision
10 thereof without making the same offer to all other dealers in the
11 same line-make within the relevant market area.

12 (l) To modify, replace, enter into, relocate, terminate or refuse
13 to renew a franchise in violation of Article 4 (commencing with
14 Section 3060) of Chapter 6 of Division 2.

15 (m) To employ a person as a representative who has not been
16 licensed pursuant to Article 3 (commencing with Section 11900)
17 of Chapter 4 of Division 5.

18 (n) To deny any dealer the right of free association with any
19 other dealer for any lawful purpose.

20 (o) (1) To compete with a dealer in the same line-make
21 operating under an agreement or franchise from a manufacturer
22 or distributor in the relevant market area.

23 (2) A manufacturer, branch, or distributor or any entity that
24 controls or is controlled by, a manufacturer, branch, or
25 distributor, shall not, however, be deemed to be competing in the
26 following limited circumstances:

27 (A) Owning or operating a dealership for a temporary period,
28 not to exceed one year. However, after a showing of good cause
29 by a manufacturer, branch, or distributor that it needs additional
30 time to operate a dealership in preparation for sale to a successor
31 independent franchisee, the board may extend the time period.
32 The board shall extend the time period until December 31, 2002,
33 for any manufacturer that meets all of the following
34 requirements:

35 (i) The manufacturer has no more than 25 franchisees in the
36 state and those franchisees collectively operate dealership
37 facilities in at least 15 counties of the state.

38 (ii) All of the dealership facilities operated by the
39 manufacturer's franchisees in the state trade exclusively in the
40 manufacturer's line-make.

1 (iii) No fewer than one-half of the manufacturer's franchisees
2 in the state own and operate two or more dealership facilities in
3 their assigned areas of responsibility.

4 (iv) The manufacturer holds a temporary ownership interest in
5 no more than two dealerships in the state that are located in the
6 relevant market area of any other franchisee of the same
7 line-make not owned, in whole or part, by the manufacturer.

8 (B) Owning an interest in a dealer as part of a bona fide dealer
9 development program that satisfies all of the following
10 requirements:

11 (i) The sole purpose of the program is to make franchises
12 available to persons lacking capital, training, business
13 experience, or other qualities ordinarily required of prospective
14 franchisees and the dealer development candidate is an individual
15 who is unable to acquire the franchise without assistance of the
16 program.

17 (ii) The dealer development candidate has made a significant
18 investment subject to loss in the franchised business of the
19 dealer.

20 (iii) The program requires the dealer development candidate to
21 manage the day-to-day operations and business affairs of the
22 dealer and to acquire, within a reasonable time and on reasonable
23 terms and conditions, beneficial ownership and control of a
24 majority interest in the dealer and disassociation of any direct or
25 indirect ownership or control by the manufacturer, branch, or
26 distributor.

27 (C) Owning a wholly owned subsidiary corporation of a
28 distributor that sells motor vehicles at retail, if, for at least three
29 years prior to January 1, 1973, the subsidiary corporation has
30 been a wholly owned subsidiary of the distributor and engaged in
31 the sale of vehicles at retail.

32 (3) (A) Every manufacturer, branch, and distributor that owns
33 or operates a dealership in the manner described in subparagraph
34 (A) of paragraph (2) shall give written notice to the board, within
35 10 days, each time it commences or terminates operation of a
36 dealership and each time it acquires or divests itself of an
37 ownership interest.

38 (B) Every manufacturer, branch, and distributor that owns an
39 interest in a dealer in the manner described in subparagraph (B)
40 of paragraph (2) shall give written notice to the board, annually,

1 of the name and location of each dealer in which it has an
2 ownership interest.

3 (p) To unfairly discriminate among its franchisees with respect
4 to warranty reimbursement or authority granted its franchisees to
5 make warranty adjustments with retail customers.

6 (q) To sell vehicles to persons not licensed under this chapter
7 for resale.

8 (r) To fail to affix an identification number to any park trailer,
9 as described in Section 18009.3 of the Health and Safety Code,
10 that is manufactured on or after January 1, 1987, and ~~which~~ *that*
11 does not clearly identify the unit as a park trailer to the
12 department. The configuration of the identification number shall
13 be approved by the department.

14 (s) To dishonor a warranty, rebate, or other incentive offered
15 to the public or a dealer in connection with the retail sale of a
16 new motor vehicle, based solely upon the fact that an autobroker
17 arranged or negotiated the sale. This subdivision shall not
18 prohibit the disallowance of that rebate or incentive if the
19 purchaser or dealer is ineligible to receive the rebate or incentive
20 pursuant to any other term or condition of a rebate or incentive
21 program.

22 (t) To exercise a right of first refusal or any other right
23 requiring a franchisee or any owner thereof to sell, transfer, or
24 assign to the franchisor, or to any nominee of the franchisor, all
25 or any material part of the franchised business or of the assets
26 thereof unless all of the following requirements are met:

27 (1) The franchise authorizes the franchisor to exercise a right
28 of first refusal to acquire the franchised business or assets thereof
29 in the event of a proposed sale, transfer or assignment.

30 (2) The franchisor gives written notice of its exercise of the
31 right of first refusal no later than 45 days after the franchisor
32 receives all of the information required pursuant to subparagraph
33 (A) of paragraph (2) of subdivision (d).

34 (3) The sale, transfer, or assignment being proposed relates to
35 not less than all or substantially all of the assets of the franchised
36 business or to a controlling interest in the franchised business.

37 (4) The proposed transferee is neither a family member of an
38 owner of the franchised business, nor a managerial employee of
39 the franchisee owning 15 percent or more of the franchised
40 business, nor a corporation, partnership, or other legal entity

1 owned by the existing owners of the franchised business. For
2 purposes of this paragraph, a “family member” means the spouse
3 of an owner of the franchised business, the child, grandchild,
4 brother, sister, or parent of an owner, or a spouse of one of those
5 family members. Nothing contained in this paragraph limits the
6 rights of the franchisor to disapprove a proposed transferee as
7 provided in subdivision (d).

8 (5) Upon the franchisor’s exercise of the right of first refusal,
9 the consideration paid by the franchisor to the franchisee and
10 owners of the franchised business shall equal or exceed all
11 consideration that each of them were to have received under the
12 terms of, or in connection with, the proposed sale, assignment, or
13 transfer, and the franchisor shall comply with all the terms and
14 conditions of the agreement or agreements to sell, transfer, or
15 assign the franchised business.

16 (6) The franchisor shall reimburse the proposed transferee for
17 any expenses paid or incurred by the proposed transferee in
18 evaluating, investigating, and negotiating the proposed transfer to
19 the extent those expenses do not exceed the usual, customary,
20 and reasonable fees charged for similar work done in the area in
21 which the franchised business is located. These expenses include,
22 but are not limited to, legal and accounting expenses, and
23 expenses incurred for title reports and environmental or other
24 investigations of any real property on which the franchisee’s
25 operations are conducted. The proposed transferee shall provide
26 the franchisor a written itemization of those expenses, and a copy
27 of all nonprivileged reports and studies for which expenses were
28 incurred, if any, within 30 days of the proposed transferee’s
29 receipt of a written request from the franchisor for that
30 accounting. The franchisor shall make payment within 30 days of
31 exercising the right of first refusal.

32 (u) (1) To unfairly discriminate in favor of any dealership
33 owned or controlled, in whole or part, by a manufacturer or
34 distributor or an entity that controls or is controlled by the
35 manufacturer or distributor. Unfair discrimination includes, but is
36 not limited to, the following:

37 (A) The furnishing to any franchisee or dealer that is owned or
38 controlled, in whole or part, by a manufacturer, branch or
39 distributor of any of the following:

1 (i) Any vehicle that is not made available to each franchisee
2 pursuant to a reasonable allocation formula that is applied
3 uniformly, and any part or accessory that is not made available to
4 all franchisees on an equal basis when there is no reasonable
5 allocation formula that is applied uniformly.

6 (ii) Any vehicle, part, or accessory that is not made available
7 to each franchisee on comparable delivery terms, including time
8 of delivery after placement of order. Differences in delivery
9 terms due to geographic distances or other factors beyond the
10 control of the manufacturer, branch, or distributor shall not
11 constitute unfair competition.

12 (iii) Any information obtained from a franchisee by the
13 manufacturer, branch, or distributor concerning the business
14 affairs or operations of any franchisee in which the manufacturer,
15 branch, or distributor does not have an ownership interest. The
16 information includes, but is not limited to, information contained
17 in financial statements and operating reports, the name, address,
18 or other personal information or buying, leasing, or service
19 behavior of any dealer customer, and any other information
20 which, if provided to a franchisee or dealer owned or controlled
21 by a manufacturer or distributor, would give that franchisee or
22 dealer a competitive advantage. This clause does not apply if the
23 information is provided pursuant to a subpoena or court order, or
24 to aggregated information made available to all franchisees.

25 (B) Referring a prospective purchaser or lessee to a dealer in
26 which a manufacturer, branch, or distributor has an ownership
27 interest, unless the prospective purchaser or lessee resides in the
28 area of responsibility assigned to that dealer or the prospective
29 purchaser or lessee requests to be referred to that dealer.

30 (2) Nothing in this subdivision shall be interpreted to prohibit
31 a franchisor from granting a franchise to prospective franchisees
32 or assisting those franchisees during the course of the franchise
33 relationship as part of a program or programs to make franchises
34 available to persons lacking capital, training, business
35 experience, or other qualifications ordinarily required of
36 prospective franchisees.

37 (v) *To access, modify, or extract information from a*
38 *confidential dealer computer record, as defined in Section*
39 *11713.25, without obtaining the prior written consent of the*
40 *dealer and without maintaining administrative, technical, and*

1 *physical safeguards to protect the security, confidentiality, and*
2 *integrity of the information.*

3 *(w) To use electronic, contractual, or other means to prevent*
4 *or interfere with any of the following:*

5 *(1) The lawful efforts of a dealer to comply with federal and*
6 *state data security and privacy laws.*

7 *(2) The ability of a dealer to do either of the following:*

8 *(A) Ensure that specific data accessed from the dealer's*
9 *computer system is within the scope of consent specified in*
10 *subdivision (v).*

11 *(B) Monitor specific data accessed from or written to the*
12 *dealer's computer system.*

13 ~~(v)~~

14 *(x) As used in this section, "area of responsibility" is a*
15 *geographic area specified in a franchise that is used by the*
16 *franchisor for the purpose of evaluating the franchisee's*
17 *performance of its sales and service obligations.*

18 **SECTION 1.**

19 *SEC. 2. Section 11713.25 is added to the Vehicle Code, to*
20 *read:*

21 ~~11713.25. A computer vendor, franchisor, or other person~~

22 *11713.25. (a) A computer vendor shall not do any of the*
23 *following:*

24 ~~(a) Access, copy, create, or modify a confidential dealer~~

25 *(1) Access, modify, or extract information from a confidential*
26 *dealer computer record or personally identifiable consumer data*
27 *from a dealer without first obtaining express consent from the*
28 ~~dealer~~ *written consent from the dealer and without maintaining*
29 *administrative, technical, and physical safeguards to protect the*
30 *security, confidentiality, and integrity of the information.*

31 ~~(b) (1) Except as provided in paragraph (2), require a dealer,~~

32 *(2) (A) Except as provided in subparagraph (B), require a*
33 *dealer as a condition of doing or continuing to do business, to*
34 *give express consent to perform the activities specified in*
35 ~~subdivision (a) paragraph (1).~~

36 ~~(2)~~

37 *(B) Express consent may be required as a condition of doing*
38 *or continuing to do business if the consent is limited to*
39 *permitting access to personally identifiable consumer data to the*
40 *extent necessary to do any of the following:*

1 ~~(A)–~~

2 (i) To protect against, or prevent actual or potential fraud,
3 unauthorized transactions, claims, or other liability, or to protect
4 against breaches of confidentiality or security of consumer
5 records.

6 ~~(B)–~~

7 (ii) To comply with institutional risk control or to resolve
8 consumer disputes or inquiries.

9 ~~(C)–~~

10 (iii) To comply with federal, state, or local laws, rules, and
11 other applicable legal requirements, including lawful
12 requirements of a law enforcement or governmental agency.

13 ~~(D)–~~

14 (iv) To comply with lawful requirements of a self-regulatory
15 organization or as necessary to perform an investigation on a
16 matter related to public safety.

17 ~~(E)–~~

18 (v) To comply with a properly authorized civil, criminal, or
19 regulatory investigation, or subpoena or summons by federal,
20 state, or local authorities.

21 ~~(F)–~~

22 (vi) To make other use of personally identifiable consumer
23 data with the express written consent of the consumer that has
24 not been revoked by the consumer.

25 ~~(e)–~~

26 (3) Use electronic, contractual, or other means to prevent or
27 ~~interfere with a dealer's reasonable efforts to comply with~~
28 ~~applicable~~ *interfere with the lawful efforts of a dealer to comply*
29 ~~with federal and state~~ data security and privacy laws and to
30 maintain the security, integrity, and confidentiality of
31 confidential dealer computer records, including, but not limited
32 to, ~~the dealer's monitoring of ability of a dealer to monitor~~
33 specific data accessed from or written to the dealer computer
34 system. Waiver of this subdivision or purported consents
35 authorizing the activities proscribed by the subdivision is void.

36 ~~(d) The dealer shall have the authority to prospectively revoke~~

37 (b) A dealer shall have the right to prospectively revoke an
38 express consent by providing a 10-day written notice to the
39 ~~person~~ *computer vendor* to whom the consent was provided or on
40 ~~any shorter period of notice agreed to by that person and the~~

1 dealer. ~~An agreement to waive the dealer's authority to period of~~
2 ~~notice agreed to by the computer vendor and the dealer. An~~
3 ~~agreement that requires a dealer to waive its right to~~
4 ~~prospectively revoke an express consent is void.~~

5 ~~(e)–~~

6 (c) For the purposes of this section, the following terms ~~means~~
7 ~~mean~~ as follows:

8 (1) “Confidential dealer computer record” means a computer
9 record residing on the dealer’s computer system that contains, in
10 whole or in part, any personally identifiable consumer data,
11 ~~financial data, or the dealer’s proprietary data. or the dealer’s~~
12 ~~financial or other proprietary data.~~

13 (2) “Computer vendor” means a person, *other than a*
14 *manufacturer, manufacturer branch, distributor, or distributor*
15 *branch*, who in the ordinary course of that person’s business
16 configured, sold, leased, licensed, maintained, or otherwise made
17 available to a dealer, ~~the dealer’s a dealer~~ computer system.

18 (3) “Dealer computer system” means a computer system or
19 computerized application primarily designed for use by and sold
20 to a motor vehicle dealer that, by ownership, lease, license, or
21 otherwise, is used by and in the ordinary course of business of a
22 dealer.

23 (4) “Express consent” means the unrevoked written consent
24 signed by a dealer that specifically describes the data that may be
25 accessed, the means by which it may be accessed, the purpose for
26 which it may be used, and the person or class of persons to whom
27 it may be disclosed.

28 (5) “Personally identifiable consumer data” means information
29 that is either of the following:

30 (A) Information of the type specified in subparagraph (A) of
31 paragraph (6) of subdivision (e) of Section 1798.83 of the Civil
32 Code.

33 (B) Information that is nonpublic personal information as
34 defined in Section 313.3(n)(1) of Title 16 of the Code of Federal
35 Regulations.

36 ~~(f)–~~

37 (d) This section does not limit a duty that a dealer may have to
38 safeguard the security and privacy of records maintained by the
39 dealer.

1 ~~SEC. 2.~~

2 *SEC. 3.* No reimbursement is required by this act pursuant to
3 Section 6 of Article XIII B of the California Constitution because
4 the only costs that may be incurred by a local agency or school
5 district will be incurred because this act creates a new crime or
6 infraction, eliminates a crime or infraction, or changes the
7 penalty for a crime or infraction, within the meaning of Section
8 17556 of the Government Code, or changes the definition of a
9 crime within the meaning of Section 6 of Article XIII B of the
10 California Constitution.

O